the business has been done astisfactorily to the sig-effice, and it has been entirely satisfactory to us. as Chairman—You receive what you think is a rea-able compensation for the work! Revum—Yes, Sir; we are satisfied; we are in "the addistrict," where we are accustomed to low rates. Chairman—Has any question ever been raised by Company as to its obligation to perform work for assectment!

i value. an—Would you be glad to be relieved from

wn-We do not complain of lany burdens,

swn—We do not compian oftany purgens, airman—What does your Company say to the he Postmaster-General for the postal telegraph i own—The idea of some of our leading men is, is Government chooses to go into this business no objection. We hold our telegraph property as we might hold ten bales of cotton; if we get think a fair equivalent for it the Government

property f I think about \$590,000. un—What is the basis of your estimate f

The cost of our property.

The way may miles of line have you the have two routes from Boston to Newgipet routes—and we have one route from
Washington. That, of course, you see,
listances from New-York to Boston. We tween Boston and New-York, seven and Philadelphia, and four between

S,000. -What is the length of the signal service wn-That I cannot answer. I am not sufficient

wn-Seven hundred and fifty miles, in round from Boston to New-York two routes, and

rk one route.

tes compare with the Westor private dispatches? always the same. I believe that country. Wherever the Western

wire. Mr. Brown—In the matter of rates it is perhaps well

merstood that no sooner does one Company drop its see that the other Company immediately conforms to hem, otherwise it would soon lose its business. There-ore, whenever the Western Union Company lowers its

Have you given the Postmaster-Gen

re will notify them by letter. resident of the Western Union Telegraph

Company, said:

As I was unable to be present when the hearing commenced this evening, I am only informed, by what I have heard during the inst ten influes, as to the course of the proceedings to night, and I therefore rise to inquire whether the committee desire to examine the representatives of the Western Union Company on the subject

whether the committee desire to examine the representatives of the Western Union Company on the subject new under consideration.

The Chairman—The simple facts of the caselare: that, by resolution of the House, of December 4, so much of the President's Message and of the Report of the Postmaser-General as relates to the subject was also referred to this Committee. By a similar resolution hast year the same subject was also referred to this Committee; and under that resolution at last sension some progress was made in a general inquiry. But about the residence; and the Telegraph Companies to the signal service, and second, upon the general question of a bid known as the Hubbard bid. That bid is still in the hamis of this Committee, as it has been presented and modified; and additional facts and suggestions and recommendations of the President and of the Postmaster-General have also come to the Committee; and on the whole subject the Committee has desired to know whether any of those Telegraph Companies have anything new to offer.

Mr. Niblack -Permit me to state my view of the question. By the message of the President, calling attention to the Report of the Postmaster-General, we are asked to take measures toward establishing a postal telegraph operated by the Government. From another source the Habbard bid is urged upon us. Others again have appeared before us at different times and urged that Congress should not interfer with the subject at all. These three views of the case are now before us for our consideration.

three views of the case are now before as a castion.

The Chairman—Precisely.

Mr. Nibiack—These, I suppose, are the points to which we desire gentlemen to direct their attention.

The Chairman—In addition to what has been so well stated by Mr. Nibiack, this committee desires to represent the aspirations of the American people on this sabject, as far as it knows what they are, and also to secure to the Government whatever is just and right. The telegraph public is now represented in this room. The question is, shall the Government do nothing t shall it take the lines and carry on the business itself for shall it allow a third party, as suggested in the Hubbard bill, to do the business I These are the questions we have to pass upon.

Mr. Niblack-We have beard more on the subject of the

Mr. Nibiack—We have beard more on the subject of the Hubbard plan than on any other.

Mr. Palmer—As I understand it, the several presidents of the telegraph lines have sent requests to be heard; and, so far as I am concerned, I am perfectly willing that they shall speak in their own wa, on the subject. The Chairman—Certainly. The meeting is called for the sake of hearing what the telegraph companies have to say on this whole subject, and we have this evening heard from all but the Western Union Telegraph Company. The field is your own, Mr. Octon.

REMARKS OF MR. ORTON.

pany. The field is your own, Mr. Orton.

REMARKS OF MR. ORTON.

Mr. Orton—I regret, Mr. Chairman, that owing to the fittenes of the journey here, and to a day and hight of extraordinary work before leaving New-York, I am in no tondition at this time to do justice to the subject; but with the permission of the committee I will submit a few suggestions which occur to me on reading the report of the Postmaster-General, which I hold in my hand.

I believe that the Western Union Telegraph Company is the only Company mentioned by the Postmaster-General in his report, although reference is made incidentally to other companies; and as I conceive that the allusions to the Western Union Company are not entirely just, and do not represent the facts, either so far as they concern that Company, or so far as they relate to the telegraph business generally in this country, or meterney, I desire to occupy a little time in the consideration of this report.

to the telegraph business generally in this country, or in Europe, I desire to occupy a little time in the consideration of this report.

The first point to which I will invite the attention of the Committee is the reference of the Postmaster-General to the rates established in 1871 for signal service that the context of a rediscussion of the question. But, desire to enter on a re-discussion of the question. But, desire to enter on a re-discussion of the question. But, desire to enter on a re-discussion of the question. But, desire to enter on a re-discussion of the question. But, desire to have not have all the topics, I will merely say in this connection that all the topics, I will merely say in this connection that the Postmaster-General has misunderstood the postition of the Western Union Telegraph Company concerning the signal service Union Company contended, first, that the signal service Union Company with to the effective, require simultaneous transmission through special circuits at certain times, twent the converted by the second section of the Act approved July 24th, 1866."

When I had the honor to appear before the Committee at the tast seasion of Congress I endeavored to explain that the Company with which I am connected claimed that the Company with which I am connected claimed that the collection while we made to the claim of the Postmaster-General in that regard was, that, after having exercised the authority which the law expressly confers upon him to the rate of the claimed something more-namely; to direct by what route a messages should be fraught intermediate stations on that route should be in-

alf of dollars for taxes.

Mr. Niblack—Do you mean all the companies, or your company.only \*\footnote{1} Mr. Orton—I mean all the companies, since the internal revenue laws went into operation, which was in 1862. Therefore, if we consider that the \$40,000 a year was a contribution by the United States for which if received no equivalent, still, while it was paying that out with one hand, with the other it was taking in three times as which

one hand, with the other it was taking in three times as much.

The telegraph, therefore, it is but fair to say, stands before the people of the United States as the product of private enterprise, and is not the debtor of the Government for a single dollar. Congress has given hundreds of millions for other enterprises—hundreds of millions in bouds and lands to railways, and, so far as I know, not a single Telegraph Company in the United States is to-day the recipient, directly or indirectly, of one single dollar of benefit conferred by the Federal Government. We make no complaint of that. It has been a favorite investment with but few people. It has paid less during the last six years, while I have been actively connected with it, to the owners of the property, on whatever basis the estimate is made, than any other active public invest-

ounts. I do not mean to say that it is physically im-sible to do so by telegraph, but that the expense of ing it with accuracy would be vastly greater than it is

doing it with accuracy would be vastly greater than it is to do it by mail.

Mr. Niblack—You mean in the transaction of official business between the offices I mr. Orton—Yes, Sir. It is very difficult for the telegraph to be accurate in the transmission of figures. I rend again from the report:

"The natural policy of private Companies is to extend facilities slowly, and only to profitable points; to let their business augment gradually, and to reap larger profits from a small number of messages, while a Government system, managed in the interests of the people, parsense exactly the opposite course."

profits from a small number of messages, while a coverment system, managed in the interests of the people, parsues exactly the opposite course."

I suppose that it is entirely correct on any that it is the natural policy of men engaged in very department of business so to conduct graph, however, has not been behind the recognition of the country in population in scarce of the country in population in scarce of the country and there are no the sense of the country in population in scarce of the country, and there are no trailways, and where, I think, the mails only run two or three times a week. The telegraph is being rapidly developed in Northera Texas, the Indian Territory, Kansas, Colorado, Montana, California, Northera Michigan, and other sections of the country, where I think the mails are not run every day. It is not too much to say that the telegraph has fairly kept pace with the growth of the country; but, if it has not, I still an of opinion that it would be unjust to charge it with any property for the sole purposes the country, but, it is not too much to say that the tall the country is the country in the provision of the institution. We make no pretense of being any hashing received no behind the provision of the laws any special charges, even if we do not keep uptil the general expectation in the provision of facilities. I quate again:

"Mean while, the immediate defects and abuses of the telegraph call loudly for reform."

If there is any body, Mr. Chairman, who alleges before this Committee, or before Congress, or before any department of the Government, abuses concerning the conduct of its business by the Company with which I am connected, I shall esteem it a favor to be informed of the fact.

Ho not admit that the question of the value of the graph property is, under present circumstances, an entirely proper subject for consideration by this Committee, and for this reason: Under the law of 1905 the Federal Government has he right to purchase all the lines and property is, under present circumsta

formation, and also in part from the reports of Mr. Orton himself. It is not confined to Mr. Chester's statement or to any other statement.

Mr. Orton—If my reports have been as widely misapprehended as the report of Mr. Chester has been, I can begin to comprehend how such a satement as that came to be made. The committee will pardou me for calling attention again to the fact that there are two statements made in the report: that all the telegraph property in the United States probably cost "much less" than \$10,000,000; and secondly, that it can be reproduced for \$11,880,000. The only witness whom the Postmaster-General brings forward to support this statement is Mr. Charles T. Chester of New-York, whose estimate is found on page 169 of the report. The principal item in that estimate is 175,000 miles of wire, and you will note particularly that it says "duty free." Now, the duty on relegraph wire is over 60 per cent. and more than half of the 20,000 miles of wire, which the Western Union Company creeted in the year 1872 it was obliged to import, and to pay thereon a duty at the rate of about 68 per cent, less 10 per cent since the lat of July last, I think. In this estimate, then, this principal item, representing more than \$6,000,000 is for wire duty free. Now, the committee will bear in mind that this is the witness who, presumptively, is put upon the stand, if not to prove the statement of the Postmaster-General, at least to justify its being made; and I know it will surprise the committee, as it surprised me, on examining Mr. Chester's estimate in detail, and on footing it up (not withstanding that its principal item representing more than \$6,000,000 is for wire duty free.

Chester's estimate in detail, and on footing it up (not withstanding that its principal item representing more than \$6.000,000 is for wire duty free) to find that the total is elighteen and one quarter militions of dollars. Let me repeat: The Postmaster General alleges that all the telegraph property in the United States cost less than \$10,000,000, and that it can be all reproduced for \$11,880,000, and he puts upon the stand a witness whose estimate takes \$6,000,000 worth of wire at 50 per cent less than it cost, and the puts upon the stand a witness whose estimate takes \$6,000,000 worth of wire at 50 per cent less than it cost, and that witness testifies that it would cost eighteen and one quarter militons of dollars!

Mr. Hase—ite says it can be put up for about 25 per cent below that estimate.

Mr. Orton—Would not that 25 per cent be fully offset by the 50 per cent on the wire! That is what the rest of us would have to pay.

Now. Mr. Chairman, I propose to inquire concerning the competency of Mr. Charles T. Chester to be a Government witness in this trial, on an indictment by the Postmaster-General, of the Telegraph Companies of the United States for not having apent more of their own money in the development of a business that has brought less average return than any other public investment in the country within the hast ix years.

Was there no one actively connected with the telegraph business; no unprejudiced person in the United States, having knowledge of the facts, of whom inquiry might have been made and whose testimony would have been entitled to weight!

Mr. Charles T. Chester never constructed but one telegraph ince, and that was built in the City of New-York within the last three years. It is the Fire Alaria Telegraph, and have obtained from the Fire Department an invantory of the property which he put into it, and from the Comptroller of the City the result would be nearly \$50,000,000! There were eighty miles of poles. If we make the calculation on the basts of the miles of poles the result would

private citizens and private enterprises in the name of the Postmaster-General. Let me say a word on the question of value. The tele Let me say a word on the question of value. The telegraph and rairoad companies in the United States have invested, during the last six years, more cash in the production of telegraph property than the gross sum named in the Postmaster-General's report as the cost of all the lines in the country.

The Chairman—Do you mean by that that more cash capital has been invested in the actual structure?

Mr. Orton—Yes, Str.

The Chairman—You exclude stock operations?

Mr. Orton—I exclude stock operations. I mean exactly what I say: More cash has been invested in the production of telegraph property—not stock—but poles, wires, instruments, apparatus, buildings, patents. &c.,

come of the do millions probably 30 millions never send a message at all, yet each one of them must have, in every one of the 350 days in the year, food, and elothing, and shelter. By what right does the Government, or camzed for the common benefit, and maintained at the common expense, propose to tax the wheth of the common expense, propose to tax the wheth of the common expense, propose to tax the wheth of the common expense, propose to tax the wheth of the common expense, propose to tax the wheth of the common considering and the department of the Government which seeks to inaugurate proceedings for the acquisition of their property, and for embarking in the telegraph business at the public expense, to promote the convenience of a mere handful of people, not one of whom comes here to compitin, or ask form of the convenience of a mere handful of people, not one of whom comes here to compitin, or ask form of the common expense, to provide the second of the common expense, to provide whether of the common that is not provided whether the common expense of the co

panies whether it will be prudent for them to continue to invests portion of their earnings in the extension of the property, or what it will be necessary for them to do meet whatever shall appear to be or shall be declared to b, the determination of the Government in that re-

I am quite unequal to the discussion of the details of the bill of Mr. Rubbard. I now speak of the bill as I the bill of . St. Autorad. I now speak of the bill as I last saw it. If the Committee have allowed any modifications of it I, have not been apprised of them. But the bill, as I last saw." It, ha scheme for the incorporation by Congress of a Com, cany authorized to engage in the telegraph business in . All the States and Territories, conditioned that the rates at which messages shall be sent by this Company chall be the rates named in the bill, which incored that the rates at which messages shall be sent by this Company chall be the rates named in the bill, which rates are apparently exusiderably less than the present average rates. But there is a provision in the bill authorizing "priority messages" at double rates. But Mr. Chairman, every messages is a priority message. That is what the telegraph is for. And you will appreciate, I think, the force of that on learning the following facts: It is now three years since, throughout the territory east of the Missouri River, messages could be filed at any telegraph office at any time during the day for transmission at the convenience of the Company, and for delivery on the following morning at half the tariff rates. That provision has been in operation three years. It is theroughly well known to all people who have occasion to use the telegraph; and although the rates from Now-York, Roston, Philadelphia, Baltimore, and Washington to Texas, Western Arkanssa, and Kansea, are \$1 to \$1 of the telecraph business is done under this provision of half rates.

The Chairman—Is that arrangement made by all the If the Committee have allowed any modifi-

half rates.

The Chairman—Is that arrangement made by all the other companies as well as yours?

Mr. Orton—Yes, Sir. all of them. Mr. Thurston, President of the Pacific and Atlantic Company, I suppose (as I did not file a cavea;) is entitled to a patent on that scheme. I think, if he was entirely trank, he would admit that he knew we were going to do it; but he did it first, because it took us a great while to work up the details before putting it in operation, and so he started it on his lines before we did on ours. But it has been in operation on all the lines of all the companies during the last three years. It did not at first include any territory west of the Missispip River.

Mr. Taurston—I wish to disciaim the credit of being so much smarter than the President of the Western Union Telegraph Company, and I am happy to concede to him the compliment of having originated the proposition of sending these night dispatches at half rates. It was the principle on which our line was first created that that should form a feature of it when the line was sufficiently extended to do so; and we had it contemplation, it seems, at the same time as the Western Union people, without each other knowing it.

The Chairman—Is the fact that you have such an arrangement so generally known to your customers that the II per cent represents the voluntary choice of the people; or is it true that a considerable parties of your customers do not know of the existence of that half rate!

Mr. Orton—When we inaugurated this schome we con-

Mr. Orton—When we inaugurated this schome we considered that the people who sent and received messages every day, were the people whom it was so our interest to notify first. The half rate message blank is printed in red ink. These blatks were distributed, as other message blanks are distributed, freely among the customers of the telegraph. A small advertisement, of a size suitable to be inclosed in the envelope in which messages are delivered to our customers, printed also in red, was printed to the extent of many millions, and was supplied to the various offices of the Company, and a copy was placed in the envelope with every message delivered for several mouths. We argued that in the course of three mouths, if an advertisement went out with every message delivered, we should probably, during that period, reach the great majority of those who patronize the telegraph. In addition to that cards were provided and directed to be suspended in the telegraph offices. The blanks themselves are exposed there. And still more recently i directed an advertisement to be printed prominently on the envelopes used for inclosing messages to be delivered. We have taken the utmost pains to inform the public of the fact, and we believe the public is well.

o all your rates?
Mr. Orton—Yes, Sir; to every office east of the Mis-puri River, including Kansas, Missouri, Arkansas, Lou-ians, and beariy all of Texas.
The Chairman—Between here and New-York, and be-ween here and Boston, and between Boston and New-

fork! Mr. Orton-Yes, Sir. We do not include in it the Pacific Mr. Orton—Yes, Sir. We do not include in it the Pacific Coast, for the reason that the line is so long and the difference in time is three hours. The great difficulty in maintaining that line, its liability to interruptions and the certainty that day and night business would get confused, has induced us to withhold putting it into operation on the Pacific Coast. We intend, however, in lieu of that, to reduce the rates between the Atlantic and Pacific Coasts at an early day—to still further reduce them. They are only about one-haif now what they were six years ago.

Now let me return to the Hubbard bill. I spoke of one of the provisions of that bill, being the authority to charge double the rates named therein for messages entitled to priority, and I expressed the opinion that every message was a priority message; and I appealed

mean when you say that the corporators may make a good thing of it without their erecting a pole or building a mile of line!

Mr. Orton—When this bill becomes a law, I assume that the first thing to be done under it is to organize the corporation; the next thing inevitably is to sell some of the stock, for until the proceeds of the sale of the stock are on hand they certainly will have nothing with which to buy lines that are already built or to build new ones. Suppose they sell \$1,000,000 of stock, and no more—they have a right to distribute that among the corporators and are under no obligation to account to anyboay for it. I assume that no moral question is involved in connection with taking that which Congress freely gives. I certainly raise no such question. If Congress gives the antibority to twenty or thirty gentiemen to collect \$1,000,000 from the public, and to distribute it among themselves, that is about the highest right to property I know of. But Congress exacts nothing from them in roturn, imposes no obligation on them then and thereafter to do anything. But suppose they should set \$1,000,000 of stock and divide the \$1,000,000, and then faithfully and judiclously expend the other million, and the scheme fails. They have burrowed a hole in the Post-Office, interfered with and interrupted the postal service, vexed and harrassed the customers of the telegraph, who have been many times caught sending messages by the Government line to points not reached by it, disgusted the public, generally; and certainly it seems to me that the people will not be in a very evangelical frame of mind toward governmental connection with the telegraph, with such a specimen of the results before them.

But \$uppose it goes on and dese better, what then But \$uppose it goes on and dese better, what then

seems to me that the people will not be in a very evangelical frame of mind toward governmental connection with the telegraph, with such a specimen of the results before them.

But suppose it goes on and does better, what then the Government has created a monopoly of which it can never be rid except by purchase. There may be no obligation on the part of the Government to but the casting lines; there certainly would be an obligation on the part of the Government to but the same context of the Government to but the series of the corporation created by this Act would be so subscribed on the inducements held out by the Government of the United States, either that that Company is to make 10 per cent on its capital, with an added indication of expenses of organization; or, failing in that, the United States is to buy the property.

Now, I read in the public prints that the Secretary of the Treasury has recently been before a committee of Congress, asking for legislation to enable him to pay a larger commission than is now allowed by law for the negotiation of bonds of the United States at a lower rate of interest than is paid on the greater part of the public debt. This bill is a scheme to enable a private corporation, after its corporators have made \$1,000,000, to make 10 per cent on all the balance of their investment, with the \$1,000,000 included. What is the propriety of such a partnership, with such a quasi guarantee of such a rate of interest on the part of the United States, which certainly is abundantly able to go into market and borrow money at half that rate of interest! What is the necessity for the Government setting up such parties in opposition to the capital and experience which, for more than twenty years, have been developing a telegraph system which, notwithstanding the disparaging statements made concerning it in the report of the Postmaster-General, compares favorably with any telegraph system on the globe!

Mr. Orion—It refers to conducting the telegraph ussiness is paid for labor, yet we are obl

Europe.

The Chairman—Does that refer to the running expenses or to the building expenses as well!

Mr. Orton—It refers to conducting the business. Sixty per cent of the whole cost is for labor.

Mr. Nibiack—What do you include in the word "labor"—do you include operators!

Mr. Orton—I include the wages of operators, of course, It is a work of men and of hands, not of steam engines—a work of includuals, the expense of which increases atmost in the direct ratio of the increased volume of business. It is all very well to say that if you have an immense mass of it it can be done more cheaply. Ask the stenographer there who is reporting these proceedings how much cheaper he can work if he has the work of four men put upon him at once. There is a limit to human capacity. If correspondence were all paid for by the written word, would the price of it be any cheaper if the volume was largely increased! And yet every word of every message is written out in detail by the fingers of the theigraph operator. No matter how you may increase the speed of transmission, or cheapen some of the processes, every single message is the product of the labor of human fingers. Now, I understand it to have been the settled policy of every Administration for more than 49 years to secure a higher rate of wages for labor in the United states than is paid in any other country; and especially has it been the policy of the United states to protect its laboring citizons from competition with the product of the cheaper labor of Continental Europe. In view of this fact, and of that which I have already stated—that more than alxy per cent of the current expenses of conducting telegraph business is paid directly in wages—is it fair to ask that private capital and enterprise shall perform in this country a service which is so fargely the product in

chesper than is any country in Europe—I say than the average, pat I say is any cope. If you will consider the difference wages paid to the employes and the different you will find that the cheaper in the United States there in any cope.

took the lines from private hands and established a uniform rate. This is a very important fact, because there is involved in it the very essence of the law governing the development of the telegraph business.

The Chairman—is that the statisheal rule on which Telegraph Communies consider growth to be gained!

Mr. Orton—I am now about to state what I consider to be the rule. It is, that the increase in the volume of telegraph business is more directly proportioned to the increase of facilities than it is to any question of rates whatever; and I would make, without the slightest hesitation, a wager covering the cost of the experiment, that If, say, between four cities, the experiment should be tried, in the one case, of reducing the rate one-half, and, in the other case, of dealing the rate one-half, and, in the other case, of dealing the facilities without

experience of hight rates will demonstrate that. The question is not one of cheap rates; it is upon the question of accilities, and of the rapidity with which messages are transmitted and delivered, that the increase of business depends.

The Postmaster-General (to Mr. Thurston)—You say

The Postmister-General (to Mr. Thurston)—You say that your business increases for you increase facilities, not withstanding that the prices may be also increased. Suppose your prices were lowered, would not the business be increased by that?

Mr. Thurston—My experience in telegraph business brines it down to a very small point. It is, that no man sends a telegraph message for the mere pleasure of telegraphing. He merely sends it in order to gain time, or to make the profit which he expects to gain by economizing time, by forestalling the market, or something else; and the quaetion with him is not so much the cost of a message as the speed with which it is delivered. So, if you take a line between two large cities, with only one wire, and if you make the price of messages as low as you possibly cap, the public will not be accommodated, and the business will not increase; but if you put up more wires, and increase the facilities for telegraphing, you increase the business.

ing, you increase the business.

The Postmaster-General—That increase of business is obtained by multiplying the wires.

Mr. Thurston—Yes. By increasing the facilities, and keeping the rates at the same price.

The Postmaster-General—Then it is unlike the postal business, and unlike the telegraph business in other countries.

Mr. Thurston—Take a large city like Pittsburgh, where treside, which is a manufacturing city, and take a factories of the postal business.

him the facilities that one as to how the service is per-formed.

The Postmaster-General—That would be the question with a great many more people if they had facilities, and if the telegraph was enemy enough to be within their reach. The Chairman—Mr. Brown, what is your opinion upon

The Chairman—Mr. Brown, wasters your open or appear are the point!

Mr. Brown—My impression is that the experience in some parts of the country has been that reducing the rates has very vastly increased the business, as in the West, for instance. I learned from Mr. Orton that putting the rate down to be cents between Chicago and Milwaukee increased the business very vastly; but my impression has been that when a man paya 25 or 30 cents for a cigar he does not care very much whether he pays five cents more or less for a telegraph message.

Mr. Paimer (to Mr. Orton)—It cheapening rates does not increase the volume of business, why do you cheapen rates.

Mr. Orton-Have I been understood as saying that

cheapening the rates did not increase the volume business i Mr. Paimer-I thought that the tendency of your argu-

mr. Orton—Have I been understood as saying that cheapening the rates did not increase the volume of business?

Mr. Paimer—I thought that the tendency of your argument was to show that it was the increase of facilities rather than the reduction of prices that brought an increase of business.

Mr. Orton—Both of them tend undoubtedly to increase the business, but I believe that the development of the telegraph depends more upon the provision of increased facilities than on the reduction of rates—assuming, of course, that the rates are not exorbitant and to day in the United States. And mow, let me support this: The tariif between New-York and Chematic competition in angurated by the Compact duced to \$1.05, \$1.25, \$1. and finally to soot. The rates to intermediate places were reformed to the president, the rates at that rate the lines were operated for two years goodingly, the rate between New-York and Chematic was always and the president was advanced from 60 cents to \$1, and between New-York and Pittsburgh from 25 to 50 cents. Within the year preceding the Western Union Telegraph Company had very considerably increased its facilities between New-York and Pittsburgh from 25 to 50 cents. Within the year preceding the Western Union Telegraph Company had very considerably increased its facilities between New-York, Pittsburgh and Chicinnati. The increase in the volume of business between the stations on that route, during the months of May, June and July of the present year, after an advance of from 40 to 100 per cent, was greater than the increase in the orresponding mouths in the previous years.

The Chairman—Had there been an increase in the facilities!

Mr. Orton—Yes, I stated that as part of my preliminary statement.

The Chairman—Had there been an increase in the facilities between two such cities as New-York and Unional States of the business. He was the precent age of the increased facilities!

Mr. Orton—Yes, I stated that as part of my preliminary statement.

The Chairman—Esteve the tendent of well of the com

blast its prospects in the future, or to microre with any plate compensation that at any emade my statement only after repeated solicitations from people of all grades of society, some fice, some poor, some men in business and some in social itée, some from the East and some from the West; and that, too, after Compress theorious and my control of the subject.

The distinguished Presentent of the Western Union Telegraph Company, who seems to be so exceedingly full information on the subject, has taken it upon himself to deal somewhat facetiously with the room of commisseration for the weakness therein displayed. He has been especially severe upon the instrument that I have seen proper to use. Now, I admit that I have had very few advantages in preparing the status of the subject. Has taken the teleproper of the subject o